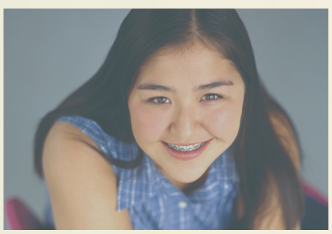
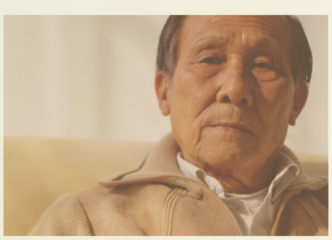
MINNESOTA'S WORKFORCE INVENTORY 2012





Minnesota's philanthropic community requested this inventory of workforce and training programs to guide its strategic investments and to avoid duplication of existing programming. There is a greater imperative to inventory the current workforce development landscape as workforce and economic development becomes more aligned, discussions regarding skills gaps increase, and funding for programs decreases. Understanding current resources engages new funders and providers, informs stakeholders, and assists in developing strategic direction.

Workforce development is a strategy that attempts to enhance a region's economic stability and prosperity by focusing on its people and their skills. Workforce development has evolved from a problem-focused approach, addressing issues such as low-skilled workers or the need for more employees in a particular industry, to a holistic approach considering participants' many barriers and the overall needs of the region.

The 2012 Minnesota Workforce Inventory is a comprehensive inventory of publicly funded workforce and training resources. It includes, by customer type and program name, funds, program purpose and services, and customers served. Additionally, critical customer characteristics that highly correlate to employment barriers are included.

The inventory is a high-level overview of Minnesota's workforce development world. It is a good starting point to understanding resources available to meet current workforce needs and demands. However, the inventory does not answer every question. It demonstrates what programs are available, but not how well they do or how much they are needed. It does not address unknown demand or capacity. The inventory will likely elicit more questions than answers as stakeholders strive to understand the complex world of workforce development.

An overview of Minnesota's current labor market and economic climate provides context for the data in the inventory.

Economic Background

Minnesota's labor markets are recovering from the Great Recession across a number of indicators. The state's unemployment rate was 5.7 percent in December 2011, down from a peak of 8.5 percent in June 2009. Total payroll employment has increased 1.7 percent with 45,600 jobs added since September 2009 when employment began to increase. The number of people filing initial claims for unemployment insurance benefits in Minnesota is back down to the level seen before the recession. Moreover, the number of job openings is growing at the same time that the number of unemployed job seekers is falling. In fourth quarter 2011 there were 3.6 job seekers for every job vacancy, down from an 8-to-1 ratio in mid-2009. Finally, the poverty rate, which has been rising since 2007 when it was 9.5 percent, grew to 11.6 percent in 2010. However, the rate of growth has slowed, which may indicate that it is close to its recession peak and will start to decline.

Changing Workforce Composition

Some of the decline in Minnesota's unemployment rate can be attributed to an increase in the number of retirements. This is evident in a declining labor force participation rate, which has fallen throughout the last decade from 75 percent in the first half of 2002 to only 71.5 percent in December 2011. While an improving economy may give a temporary boost to labor force participation, the longer term trend will be a continued decline for at least another 10 years as more and more baby boomers retire.

Demographic shifts at the other end of the age distribution are also changing Minnesota's labor force dynamics. High school graduation rates in Minnesota have been steady or increasing over the past decade, and in 2010, 91.8 percent of adult Minnesotans had high school diplomas, making Minnesota the second-ranked state in the nation on this indicator. However, fewer young people are now graduating from high school because the population of high school-aged students in the state has decreased. This trend is expected to continue through at least 2015 barring any major changes in migration.

On the other hand, the number of people enrolled in and graduating from higher education has been slowly increasing, a trend that started well before the Great Recession and continues today. In 2010, 35 percent of the Minnesota labor force had some college or an associate degree, and another 36 percent had a bachelor's degree or higher. Minnesota ranked 10th for percent of the adult population with a bachelor's degree and 19th for percent with an advanced degree in 2010.

Despite having one of the less diverse workforces nationwide, Minnesota is becoming more diverse over time primarily due to migration trends both from within and outside of the U.S. In 2010, 10 percent of the state's labor force was non-white and 4 percent was Hispanic or Latino.

Barriers to Employment

While Minnesota's unemployment rate has declined over the past year, rates have not improved equally for all groups. African-Americans and teens, for example, have experienced increasing unemployment rates over the past 10 years. These unemployment rates show little improvement over the last two years even as the rate for whites has steadily diminished.

A lack of education can be a major barrier to a well-compensated, steady job. In 2010, 28 percent of Minnesota's labor force had no education beyond a high school diploma. Another 5 percent held no high school diploma or GED. Lack of English proficiency can be a major barrier to employment, as well. Within the total population, 4 percent of Minnesotans spoke English "less than very well." Finally, a work disability is another major barrier to employment. Between 2008 and 2010, the unemployment rate for adults ages 18 to 64 with a disability in Minnesota was 13.9 percent.

Shifting Education and Skills Requirements

Demand for skills is slowly shifting. While there is no simple answer to the question, "What education and training will be needed for future jobs?" it is clear that educational requirements have increased and will continue to rise. Overall, employment projections show that jobs requiring postsecondary education will increase. The analysis has a broad range suggesting that postsecondary education will need to increase from 46.2 percent to anywhere from 47.2 percent up to 70 percent through 2019.[1] There is evidence, too, although not easily quantifiable, that existing jobs in some industries will require higher levels of skills as technology changes. Manufacturing is the industry most often cited in this regard.

Skills Mismatch

In the short term there is no evidence of a widespread skill or education gap between workforce supply and demand. As mentioned above, there were 3.6 job seekers for every job vacancy in Minnesota in December 2011, making labor market conditions better for employers looking for workers than job seekers looking for work. There is also evidence that wages were driven down during the recession and have just begun to rise again. In real terms, however, average wages are still below pre-recession levels. On the other hand, even in the short run, there are probably a number of industries within certain regions that are experiencing difficulty finding appropriately skilled workers.

Further industry- and region-specific research is needed to determine where these pockets exist and what measures should be taken to correct them. In some cases employers may be able to correct the problem by doing a better job of advertising available positions, slightly increasing wages, retraining existing workers, or all three. In other cases, there may be a need for more workers with a particular skill in a particular region. Industry- and region-specific research can shed more light on the best ways to align worker supply and demand.

In the long run, barring major changes in migration patterns and another major economic downturn, it is likely that the demographic trends discussed above will lead to a much tighter labor market with more pockets of skill misalignments and, possibly, more widespread skill shortages. The current demographic and economic trends suggest that these problems are at least five years in the future, giving employers, educators and government agencies the opportunity for proactive planning to reduce the impact of a skills gap on Minnesota's economic health and stability.

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[1] This is using the Minnesota customized 11-category system, which identifies the education and training required for each occupation. See "Gauging the Education and Training Demands of Minnesota Jobs" by Dave Senf in the September 2011 issue of Minnesota Employment Review at **www.positivelyminnesota.com/Data_Publications/Employment_Review_Magazine/September_2011_Edition/Gauging_the_Education_Training_Dems_of_Minnesota_Jobs.aspx**. Carnevale, A.P. et.al. (2010) "Help Wanted: Projections of Jobs and Education Requirements Through 2018" Georgetown University Center on Education and the Workforce. Available at **http://cew.georgetown.edu/jobs2018**.

CUSTOMER FOCUS	YOUTH				PEOPLE WITH DISABILITIES		
AGENCY	Department of Employment and Economic Development			Department of Education	Department of Employment and Economic Development		
PROGRAM	WIA IB Youth	MN Youth	Minnesota Youthbuild	Career and Technical Education	Extended Employment — Basic & Severe Mental Illness	Vocational Rehabilitation[2]	Workforce Development Services for the Blind[2]
Annual Federal Funds 2011	$11.5M			$19.4M		$39.1M	$8.8M
Annual State Funds 2011		$3.5M	$1M		$13.5M	$8.8M	$2.4M
Other Funding							
Local public			$1/$1 local match	$17.9M			
Tuition/user paid							
Service Providers							
State agency staff	✔	✔				✔	✔
Local staff (county, city, school district)	✔	✔	✔	✔		✔	✔
Nonprofit staff	✔	✔	✔		✔	✔	✔
For-profit staff						✔	✔
Targeted Customers	Economically disadvantaged youth, ages 14 to 21, with multiple barriers to employment.	Economically disadvantaged youth, ages 14 to 21, and at-risk.	Low-income youth, ages 16 to 24, with severe barriers to employment.	Under-served and special populations, non-traditional high school students.	Minnesotans with significant disabilities who want to work and employers who need qualified workers.	People whose disabilities cause serious functional limitations in life, specifically in achieving an employment goal.	Blind, visually impaired, and deafblind Minnesotans whose visual impairment hinders them from preparing for, obtaining or maintaining employment.
Significant Services							
Life skills instruction	✔	✔	✔			✔	✔
Basic academic skills instruction	✔	✔	✔				✔
English language learning							✔
Occupational skills training	✔	✔	✔	✔		✔	✔
Support services	✔	✔	✔		✔	✔	✔
Job search assistance and resources	✔	✔	✔				✔
Employment assistance	✔	✔	✔		✔	✔	✔
Employer services							✔
Customers Served in SFY 2011	5,021	3,688	371	531,596	6,012	21,265	916
Customer Characteristics at Enrollment							
% Non-white	40%	35%	53%	22%	16%	18%	20%
% Hispanic	7%	9%	11%	5%	4%	3%	3%
% Limited English skills	6%	6%	5%	9%			
% In low-income households[1]	95%	91%	95%	52%			
% With no education beyond high school diploma/GED	96%	98%	100%		84%	65%	55%
% People with disabilities	44%	47%	37%	18%	100%	100%	100%
Key Performance Measures							
Outputs	• Number of participants served	• Number of participants served	• Number of participants served	• Further education or employment	• Number of participants served	• Number of participants served	• Number of participants served
Outcomes	• Older Youth: ◆ Entered employment ◆ Employment retention ◆ Earnings change ◆ Credential attainment • Younger Youth: ◆ Diploma/equivalent attainment ◆ Employment or education retention ◆ Skill attainment	• Attained work readiness/educational goals • Received academic/service learning credit • Drop-out returned to school • Obtained diploma/GED or remained in school • Entered postsecondary education, occupational training, apprenticeship, military or employment • Attained certificate/degree	• Obtained high school diploma • Entered employment • Wage at placement • Obtained certificate/credential • Placement in post-secondary, military, apprenticeship, other • Recidivism rate		• Number of hours worked • Total wages	• Number of participants with work plan • Entered employment	• Entered employment • Average wage

CUSTOMER FOCUS	LOW-INCOME ADULTS							
AGENCY	Department of Employment and Economic Development				Department of Human Services			
PROGRAM	WIA IB Adult	Senior Community Service Employment Program	Displaced Homemaker	FastTRAC	MN Family Investment Program (MFIP) — Employment Services[3]	Diversionary Work — Employment Services	Food Support Employment & Training	Refugee Employment
Annual Federal Funds 2011	$9.9M	$2.1M			$48.8M	$11.2M	$0.5M	$2.1M
Annual State Funds 2011			$1.1M		$4.2M	$1.0M	$0.03M	
Other Funding				From other programs				
Local public								
Tuition/user paid								
Service Providers								
State agency staff	✔			✔	✔	✔	✔	
Local staff (county, city, school district)	✔			✔	✔	✔	✔	✔
Nonprofit staff	✔	✔	✔	✔	✔	✔	✔	✔
For-profit staff								
Targeted Customers	"Universal client" with priority to certain target groups including: individuals receiving public assistance, low-income individuals and veterans.	Minnesotans 55+ years old, with income of less than 125 percent of federal poverty levels, who want/need additional income.	Income-eligible adults who need help entering the workforce after a long homemaking experience.	Adults with one or more of the following: lack recognized high school credential; have limited ability to speak, read, or write English; lack core basic educational skills.	Families with children or pregnant women that meet income eligibility test.	Families with children or pregnant women that meet income eligibility test.	Able-bodied food support recipients (low-income adults), 18-50 years old, not receiving cash benefits from other public assistance programs.	Refugees during their first five years in US; priority to new arrivals within their first year.
Significant Services								
Life skills instruction			✔		✔	✔		
Basic academic skills instruction				✔			✔	
English language learning				✔				✔
Occupational skills training	✔			✔			✔	✔
Support services	✔		✔	✔	✔	✔	✔	✔
Job search assistance and resources	✔	✔	✔	✔	✔	✔	✔	✔
Employment assistance	✔	✔	✔	✔	✔	✔		✔
Employer services								
Customers Served in SFY 2011	3,232	513	1,076	439	48,674	18,065	797	1,610
Customer Characteristics at Enrollment								
% Non-white	30%	19%	20%	24%	53%	37%	42%	100%
% Hispanic	5%	3%	3%	13%	6%	7%	8%	
% Limited English skills	5%	4%		9%	11%	7%	5%	100%
% In low-income households[1]	81%	100%	100%	74%	100%	100%	100%	100%
% With no education beyond high school diploma/GED	53%	54%	55%	73%	88%	80%	82%	100%
% People with disabilities	8%	25%	14%	13%	12%	6%	9%	
Key Performance Measures								
Outputs	• Number of participants served	• Service to most in need • Community service • Service level	• Number of participants served	• Number of participants served • Number of MnSCU sites • Number of career pathways • Number of Adult Basic Ed consortia • Employer involvement	• Temporary Assistance for Needy Families (TANF) work participation rate • Returning to MFIP • MFIP unaccounted-for cases • Countable MFIP months			• Comprehensive assessment • Supported job search • On-site problem solving • Other support services
Outcomes	• Entered employment • Employment retention • Average wage	• Entered employment • Employment retention • Average earnings	• Entered employment • Average wage	• Basic skills acquisition • Retention in education • Job placement in career • Job retention • Wage progression • Credential attainment • Continuing in career pathway • Participant satisfaction • Employer satisfaction	• MFIP/DWP Self-Support Index • Quarterly MFIP terminations • Median placement wages for MFIP • Percent MFIP Employment Services participants who left Employment Services system due to employment	• MFIP/DWP Self-Support Index • Median placement wages for DWP • DWP fifth and twelfth month outcomes	• Entered unsubsidized employment and retention	• Entered unsubsidized/subsidized employment • Placement in transitional jobs • Completion of short term vocational training

CUSTOMER FOCUS	OFFENDERS	
AGENCY	Department of Corrections	
PROGRAM	EMPLOY[4]	Academic Postsecondary
Annual Federal Funds 2011	$0.4M	$0.2M
Annual State Funds 2011		
Other Funding		
Local public		
Tuition/user paid		
Service Providers		
State agency staff	✔	✔
Local staff (county, city, school district)		
Nonprofit staff		Augsburg College
For-profit staff		
Targeted Customers	Offenders who either worked in a MINNCOR shop for at least six months or completed a vocational education program.	Offenders (21 years or younger for postsecondary enrollment options) who meet admissions requirements of the postsecondary school.
Significant Services		
Life skills instruction		
Basic academic skills instruction		
English language learning		
Occupational skills training		✔
Support services		
Job search assistance and resources	✔	
Employment assistance	✔	
Employer services		
Customers Served in SFY 2011	465	255
Customer Characteristics at Enrollment		
% Non-white		
% Hispanic	43%	
% Limited English skills		
% In low-income households[1]	2%	
% With no education beyond high school diploma/GED		
% People with disabilities		
Key Performance Measures		
Outputs	• Number receiving employment training • Number of offenders receiving job leads and support services	• Annual enrollment in academic higher education • Number given Accuplacer Test • Number assisted with college placement
Outcomes	• Percent employed within 30 days of release • Percent of Employment Readiness participants employed within 14 days of release	• Percent of released participants who are employed • Number of offenders earning college credit/degrees

CUSTOMER FOCUS	ADULTS				
AGENCY	Department of Employment and Economic Development				
PROGRAM	Dislocated Worker	Trade Adjustment Assistance	Job Skills Partnership	Veterans	Wagner-Peyser
Annual Federal Funds 2011	$12.7M	$11.3M		$2.8M	$12M
Annual State Funds 2011	$25.3M		$4.2M		
Other Funding					
Local public					
Tuition/user paid					
Service Providers					
State agency staff	✔	✔	✔	✔	✔
Local staff (county, city, school district)	✔		✔		
Nonprofit staff	✔		✔		
For-profit staff			✔		
Targeted Customers	Laid-off workers and the businesses that hire them.	Laid-off workers who have lost their jobs due to increased imports or foreign competition.	Educational institutions partnering with MN businesses; preference to nonprofit institutions serving economically disadvantaged people, minorities or victims of economic dislocation and businesses in rural areas.	Minnesota veterans—including MN National Guard and Reserves—who meet definition of "eligible veteran," and employers.	Businesses, unemployment insurance applicants, veterans and migrant seasonal farm workers.
Significant Services					
Life skills instruction				✔	✔
Basic academic skills instruction			✔		
English language learning			✔		
Occupational skills training	✔	✔	✔		
Support services	✔	✔		✔	
Job search assistance and resources	✔	✔		✔	✔
Employment assistance	✔	✔		✔	✔
Employer services			✔	✔	✔
Customers Served in SFY 2011	25,058	2,923	40 businesses	3,972	200,446
Customer Characteristics at Enrollment					
% Non-white	14%	17%		11%	22%
% Hispanic	3%	3%		4%	7%
% Limited English skills	3%	6%			
% In low-income households[1]					
% With no education beyond high school diploma/GED	34%	40%		34%	42%
% People with disabilities	6%	5%		21%	7%
Key Performance Measures					
Outputs	• Number of participants served	• Number of participants served	• Number of grants awarded • Number of participants served • Number of businesses served	• Number of participants served	• Number of participants served
Outcomes	• Entered employment • Employment retention • Average wage	• Entered employment • Employment retention • Average wage	• Average wage • Business satisfaction • Development of new capacity at MN educational institutions • Credential attainment • Number of employees retained/placed.	• Entered employment • Employment retention • Average wage	• Entered employment • Employment retention • Average wage

CUSTOMER FOCUS	ADULTS					
AGENCY	Department of Labor and Industry		Department of Education	Minnesota State Colleges and Universities		Office of Higher Education
PROGRAM	Apprenticeship	Labor Education Advancement Program (LEAP)	Adult Basic Education (ABE)	Postsecondary Career and Technical Education	Customized Training	Private Career and Technical Education
Annual Federal Funds 2011			$6.3M	$9.8M		
Annual State Funds 2011	$0.8M	$0.1M	$44.8M	$127.7M		
Other Funding						
Local public						
Tuition/user paid				$120.5M	$33.7M	$408M
Service Providers						
State agency staff	✔			✔	✔	
Local staff (county, city, school district)			✔	✔	✔	
Nonprofit staff	✔	✔	✔			
For-profit staff					✔	✔
Targeted Customers	Individuals with a high school diploma or GED certificate. Specific qualifications vary by occupation.	Women and minorities.	Individuals 16+, not enrolled in high school, functioning below 12th grade level in basic academics, including writing and speaking English.	Recent high school graduates, adult learners, displaced workers, current workers interested in upgrading skills.	Businesses and their employees.	Primarily non-traditional career-focused adults with previous college experience who need additional credentials for career advancement.
Significant Services						
Life skills instruction					✔	
Basic academic skills instruction			✔	✔	✔	
English language learning					✔	
Occupational skills training	✔			✔	✔	✔
Support services		✔		✔	✔	✔
Job search assistance and resources	✔	✔		✔	✔	✔
Employment assistance	✔				✔	✔
Employer services						
Customers Served in SFY 2011	7,000	290	78,000	127,778	121,867	33,000
Customer Characteristics at Enrollment						
% Non-white			77%	21%	8%	21%
% Hispanic			24%	4%	2%	
% Limited English skills			50%	6%		
% In low-income households[1]				44%		63%
% With no education beyond high school diploma/GED			98%			
% People with disabilities			5%	3%		0.5%
Key Performance Measures						
Outputs				• Technical skill attainment, retention or transfer • Graduation • Placement • Non-traditional placement and completion		
Outcomes			• Percent who complete one or more educational functioning levels • Percent who attain: ◆ High school equivalency ◆ Enrollment in college ◆ Employment	• Retention, transfer and graduation rates • Employment rates and wages • Technical skill attainment and licensure pass rates		• Attainment of: ◆ Credentials ◆ Employment ◆ Work-related life skills

[1] Low-income household defined as "total family income of customer, in relation to family size, does not exceed the higher of: poverty line or 70% of the Lower Living Standard Income Level."
[2] Includes customers 17 years and under who are still in school.
[3] Funds for MFIP and Diversionary Work Program (DWP) employment services are actual expenditures. State and federal funds are appropriated through the MFIP Consolidated Fund, which is allocated to counties. Counties have flexibility in how the funds are used to meet the needs of low-income families with children. Funds are allocated on a CY basis. The state and federal funding is estimated based on the pro-rated share of federal and state funds in the MFIP Consolidated Fund (92% federal, 8% state) in CYs 2009-2011.
[4] EMPLOY is completely funded by MINNCOR, which is a self-sufficient division of the Department of Corrections.

This inventory was led by the Minnesota Workforce Council Association (MWCA) and the Department of Employment and Economic Development (DEED) staff, in consultation with Lukeworks, LLC. Additional partners include the Governor's Workforce Development Council (GWDC), state and local agencies with responsibility for workforce development services, many nonprofit service providers, many private and philanthropic funders, and selected federal agencies delivering competitive grants related to workforce development. Greater Twin Cities United Way and the McKnight, Phillips and Surdna foundations provided financial support for this effort.

For more information, please see the following—

MWCA:	**mwca-mn.org/**
DEED:	**www.PositivelyMinnesota.com/**
GWDC:	**www.gwdc.org/**
All Hands on Deck:	**www.gwdc.org/policy_advisory/index.html**

Electronic copies available at: **www.positivelyminnesota.com/About_Us/Goals_Results/Progress_ Reports/Minnesota_Workforce_Inventory.aspx**. For paper copies, contact DEED at 651-259-7160. Upon request, this document can be made available in alternative formats.

April 2012